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ABSTRACT

A survey of over 3,800 employers found that school-provided vocational training was required for 9.5 percent of the jobs studied and "important but not required" for another 37.9 percent. In this study, new employees with relevant vocational education exhibited these characteristics: (1) were 6.5 percent more productive 6 to 36 months after being hired; (2) required about 20 percent less formal on-the-job training and 10 percent less informal on-the-job training; (3) had higher wage rates; (4) increased the firm's output and reduced its training costs by considerably more than the additional wages paid; and (5) were more productive and required less training if that training were obtained at a two-year college or vocational institute. Only vocational education that was relevant offered these benefits. Also, increases in productivity and savings of training costs by having a vocationally trained worker were much greater at small companies than at large companies. Employers also benefited in a similar manner by hiring workers with relevant prior job experience. As a result of these findings, the study concluded that vocational education should focus on generic occupational skills or focus on more specific skills that are in short supply, that vocational education should set an immediate goal of a high rate of training-related placement, and that students should be encouraged to secure part-time jobs in fields related to their school programs. (KC)

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Education & Employment

Research for the Practitioner

The Social Payoff from Occupationally Specific Training: The Employers' Point of View

Research Findings

Employers consider vocational education a significant factor in choosing new employees. Over 3,800 employers surveyed reported that school-provided vocational training was required for 9.5 percent of the jobs studied and "important but not required" for another 37.9 percent. In this study, new employees with relevant vocational education exhibited these characteristics:

- Were 6.5 percent more productive 6-36 months after being hired
- Required about 20 percent less formal on-the-job training and 10 percent less informal on-the-job training
- Had higher wage rates (from 1.2 to 3.6 percent higher)
- Increased the firm s output and reduced its training cost by considerably more than the additional wages paid
- Were more productive and required less training if that training was obtained at a 2-year college or vocational institute

Only vocational education that was relevant offered these benefits. Also, increases in productivity and savings of training costs by having a vocationally trained worker were much greater at small companies than at large companies. Employers who hire workers with relevant occupationally specific training received on previous jobs also benefit. The high productivity and reduced training costs of these workers more than offset the higher wages paid.

Employers also consider relevant work experience to be very important when they are selecting from a pool of job applicants. The research found that new employees with 5 years of relevant work experience exhibited these characteristics:

- Were 16 percent more productive in the first 2 weeks of employment than those without it
- Were 6 percent more productive after a year or more on the job
- Required 40 percent less formal on-the-job training than those without it
- Required 20 percent less informal on-the-job training than those without it
- Received a 9 percent higher wage rate

Employers benefit when they hire workers with relevant work experience, because the increased productivity and reductions in training costs during the first year on the job are considerably greater than the higher wages paid.

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Implications

These findings have important policy implications for vocational educators:

- Vocational education should focus on generic occupational skills that are useful in a variety of jobs (e.g., typing, filing, and computer programming) or focus on more specific skills that are and will likely remain in shortage (e.g., nursing).
- A high rate of training-related placement is a valid immediate goal for a vocational program.
- To ensure the best possible match between the student's personality and abilities and the job, and therefore to ensure high persistence in that occupation, students should have tried out the job and received counseling before committing themselves to lengthy and specific training.
- Students who are not planning to go to college should be strongly encouraged and helped to find part-time work after school hours or during the summer. The benefit of this work experience is maximized if it uses the skills taught in the vocational courses and is in the field the student plans to pursue after graduating from high school.

Additional Information

The final report, written by John H. Bishop, is available from ERIC as ED236375. The full title is "The Social Payoff for Occupationally Specific Training: The Employers' Point of View. Technical Report and Executive Summary. Studies in Employment and Training Policy: No. 3."

A brochure giving the results of the study (Research You Can Use, No. 4) is available at no charge. A 4-page summary was published in the fall 1983 (vol. 1, no. 13) issue of *Facts & Findings*, a calendar subscription research series. To request the brochure or ordering information for *Facts & Findings*, contact the National Center's Program Information Office toll free at 800-848-4815 or 614-486-3655 (in Ohio and outside the continental U.S.). Cable: CTVOCEDOSU/Columbus, Ohio. Telex: 8104821894.

This is the fifth of a series of eight "research briefs" highlighting findings of studies on education and employment conducted by the National Center and sponsored by the National Institute of Education. The summary was prepared by Ruth Gordon of the Resource and Referral Service.

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Classroom materials based on this research will be available in 1986. Contact the National Center's Program Information Office for availability of unique new materials in THE EMPLOYER'S CHOICE series, a package for teaching students successful techniques for getting and keeping jobs.

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